THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India

26th March, 2021

ANNOUNCEMENT

Sub: **Amendment in the provisions of Companies (Accounts) Rules, 2014 w.e.f. 01.04.2021**

This is to inform you that the Ministry of Corporate Affairs has amended the rules relating to Manner of books of accounts to be kept in electronic mode and Matters to be included in Board's Report i.e. Rule 3 and Rule 8 of Companies (Accounts) Rules, 2014 respectively w.e.f 01st April, 2021. The analysis of pre and post amendment of the same is as follows:

S No.	Rule	Pre-Amendment	Post Amendment
1	**Rule 3(1) of Companies (Accounts) Rules, 2014:** **Manner of books of accounts to be kept in electronic mode**	The books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India so as to be usable for subsequent reference.	The books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India so as to be usable for subsequent reference Provided that for the financial year commencing on or after the 1st day of April, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled
2	**Rule 8(5) of Companies (Accounts) Rules, 2014:** **Matters to be included in Board's Report**	In Rule 8(5) of the Companies (Accounts) Rules, 2014, ten matters/clauses were specified which the Board report shall contain in addition to the information and details specified in sub-rule (4).	Two additional clauses has been inserted in Rule 8(5) of the Companies (Accounts) Rules, 2014, w.e.f. 01.04.2021 which are as follows: xi. The details of application made or any proceeding pending under the Insolvency and Bankruptcy

			Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year. xii. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Accordingly, w.e.f. 01.04.2021, Rule 3(1) of Companies (Accounts) Rules, 2014 for using accounting software having feature of audit trail is applicable to all companies irrespective of its capital or turnover.

Further, two more matters are specified in sub rule 5 of rule 8 which shall be contained in Board report in addition to the details required sub rule (5) and (4) of Rule 8.

Notification is available at the link-
http://www.mca.gov.in/Ministry/pdf/AccountsAmendmentRules_24032021.pdf

Members may take note of the above.

Sincerely Yours,

Chairman and Vice Chairman
Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India